

NORTH CAROLINA GENERAL ASSEMBLY



AGRICULTURE AND FORESTRY AWARENESS STUDY COMMISSION

REPORT TO THE 2014 SESSION of the 2013 GENERAL ASSEMBLY

APRIL 30, 2014

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TRANSMITTAL LETTER

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The Agriculture and Forestry Awareness Study Commission, respectfully submits the following report.

Representative Jimmy Dixon
Co-Chair

Senator Andrew Brock
Co-Chair

Representative James Langdon
Co-Chair

Senator Brent Jackson
Co-Chair

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STATUTORY AUTHORITY

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Article 19.

Agriculture and Forestry Awareness Study Commission.

§ 120-150. Creation; appointment of members.

There is created an Agriculture and Forestry Awareness Study Commission. Members of the Commission shall be citizens of North Carolina who are interested in the vitality of the agriculture and forestry sectors of the State's economy. Members shall be as follows:

- (1) Three appointed by the Governor.
- (2) Three appointed by the President Pro Tempore of the Senate.
- (3) Three appointed by the Speaker of the House.
- (4) The chairs of the House Agriculture Committee.
- (5) The chairs of the Senate Committee on Agriculture, Environment, and Natural Resources.
- (6) The Commissioner of Agriculture or the Commissioner's designee.
- (7) A member of the Board of Agriculture designated by the chair of the Board of Agriculture.
- (8) The President of the North Carolina Farm Bureau Federation, Inc., or the President's designee.
- (9) The President of the North Carolina State Grange or the President's designee.
- (10) The Secretary of Environment and Natural Resources or the Secretary's designee.
- (11) The President of the North Carolina Forestry Association, Inc., or the President's designee.

Members shall be appointed for two-year terms beginning October 1 of each odd-numbered year. The Chairs of the House Agriculture Committee and the Chairs of the Senate Committee on Agriculture, Environment, and Natural Resources shall serve as cochairs.

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COMMISSION MEMBERSHIP

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Co-Chairs

[Rep. Jimmy Dixon](#) (Co-Chair)

Ex Officio

[Rep. James H. Langdon, Jr.](#) (Co-Chair)

Ex Officio

[Sen. Andrew C. Brock](#) (Co-Chair)

Ex Officio

[Sen. Brent Jackson](#) (Co-Chair)

Ex Officio

Ex Officio Members

Mr. Jimmy Gentry

Ex Officio

Mr. Mitchell A. Peele

Ex Officio

Mr. Frank Rackley

Ex Officio

Mr. J. Neal Robbins

Ex Officio

Hon. Steven Troxler

Ex Officio

Public Members

Mr. Maurice K. Berry, Jr.

Other Appointment

Mr. Donald Butler

Senate Appointment

Mr. Wood Farless

Governor's Appointment

Ms. Carla Harper

Governor's Appointment

Dr. Clarence E. Hood, Jr.

House Appointment

Mr. C. Howard Isley

House Appointment

Mr. Danny McConnell

Senate Appointment

Ms. Katie E. Mills

Governor's Appointment

Mr. Sherwood Padgette

Senate Appointment

Ms. Alice Scott

House Appointment

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COMMITTEE PROCEEDINGS

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The Agriculture and Forestry Awareness Study Commission met four times during the interim between the 2013 and the 2014 Regular Sessions of the General Assembly. The Commission's Charge can be found [here](#). The following is a brief summary of the Commission's proceedings. Detailed minutes and information from each Commission meeting are available in the Legislative Library and [online](#).

January 22, 2014

AGENDA

1:00 p.m. Wednesday

Room 643 Legislative Office Building
Raleigh, North Carolina

1. Call to order
Representative J.H. Langdon, Presiding
2. Introductory remarks by Co-Chairs
3. Introduction of Commission members
4. Presentation on the economic value of agriculture and agribusiness in North Carolina.
Dr. Michael Walden, Wm. Neal Reynolds Distinguished Professor
Agricultural and Resource Economics, North Carolina State University
(NCSU)
5. Presentation of issues for consideration by the Commission from the North Carolina Department of Agriculture & Consumer Services (NCDA&CS).
Steve Troxler, Commissioner
NCDA&CS
6. Presentation on the implementation of the Food Safety Modernization Act.
Joe Reardon, Assistant Commissioner for Consumer Protection
NCDA&CS
7. Presentation on the NCSU College of Agriculture and Life Sciences Strategic Plan.
Dr. Marshall Stewart, Special Assistant to the Dean, College Leadership & Strategy
College of Agriculture and Life Sciences, NCSU

8. Presentation on North Carolina A&T State University (NC A&T) School of Agriculture and Environmental Sciences.

Dr. William Randle, Dean

School of Agriculture and Environmental Sciences, NC A&T

9. Implications of the Proposed Federal Clean Water Protection Rule for Federal Jurisdiction over Waters within North Carolina.

Thomas A. Reeder, Director

Division of Water Resources, DENR

10. Commission discussion and announcements

11. Adjourn

The first meeting of the Agriculture and Forestry Awareness Study Commission (Commission) was held on Wednesday January 22, 2014 at 1:00 p.m. in Room 643 of the Legislative Office Building. Representative J.H. Langdon presided.

Dr. Mike Walden, Wm. Neal Reynolds Distinguished Professor of Agricultural and Resource Economics at North Carolina State University (NCSU), gave a presentation on the value of agriculture and agribusiness to North Carolina's economy. Dr. Walden said that agriculture and agribusiness (including food, fiber, and forestry) account for almost one-fifth of the State's income and employees. More than 17 percent, or \$77 billion, of the \$440 billion gross State product is contributed by the food, fiber, and forestry industries. These industries account for 642,000 of the State's 3.8 million employees.

There was Commission discussion on fiber based manufacturing, on whether or not agriculture/agribusiness was the primary economic benefit in North Carolina, how agriculture compares to manufacturing, if economic numbers are available at a county level, vertical integration, and processing jobs lost to Tennessee and Georgia. Dr. Walden indicated that the aggregate processing numbers have held up well, as North Carolina has moved from tobacco processing into meat processing.

Mr. Steve Troxler, Commissioner of Agriculture, North Carolina Department of Agriculture and Consumer Services (DACS), gave a presentation on the following: (1) DACS' goal of growing agriculture to a \$100 billion industry in North Carolina; (2) modernization of animal lab and food lab systems; (3) loss of farmland and forestland in North Carolina; (4) agricultural research funding; (5) promoting the relationship between agriculture and the military; (6) projects in DuPont Forest; and (7) improving port facilities to allow increased export of wood pellets.

The Commission discussed the cost for updating the food and veterinary labs in the State and which labs would be a priority. Commissioner Troxler indicated that it would cost somewhere in the range between \$66 to \$75 million, which is comparable to what would be spent on a public health lab. Modernization of labs would be the first priority.

Additional priorities of DACS are farmland preservation, capital projects, and forestry facilities.

There was additional Commission discussion on exports and the North Carolina port capability, the depletion of farmland for solar energy in Eastern North Carolina, and the retirement of agriculture extension specialists.

Mr. Joe Reardon, Assistant Commissioner for Consumer Protection, DACS, gave a presentation on implementation of the Food Safety Modernization Act (FSMA) and its impact on agribusiness in North Carolina.

There was Commission discussion on farms being exempted from federal rules. Mr. Reardon explained that the only exemption from FSMA applies to farms with a revenue of under \$25,000. The Commission discussed the driving force behind some of the new federal rules. Mr. Reardon indicated that there have been food safety issues from exports from other countries, such as melamine and seafood contamination. The federal government is in the process of promulgating rules to protect food safety. However, the impact of domestic production could be greatly impacted.

Dr. Marshall Stewart, Special Assistant to the Dean of the College of Agriculture and Life Sciences at North Carolina State University (NCSU), gave a presentation on the College of Agricultural and Life Sciences' Strategic Plan. The Commission discussed school preparedness and the preparatory school in Bertie County.

Dr. Bill Randle, Dean of the School of Agriculture and Environmental Sciences at North Carolina Agricultural and Technical State University (NCA&T), gave a presentation on the strategic vision for NCA&T's School of Agriculture and Environmental Sciences over the next five to 10 years.

There was Commission discussion on a disagreement between NCA&T and the Department of Transportation. Dr. Randle said that there was a road system planned near Greensboro and one of the roads would have gone directly through NCA&T research station's farm. NCA&T believes that the farm is relevant and substantial in its importance to the local economy and the school. The farm operates as a model for small scale food production.

Mr. Tom Reeder, Director of the Division of Water Resources (DWR), Department of Environment and Natural Resources, gave a presentation on the implications of the proposed Clean Water Protection Rule for federal jurisdiction over waters within North Carolina. Mr. Reeder discussed navigable waters, U.S. Supreme Court interpretations, and the draft version of the federal Clean Water Protection Rule.

February 19, 2014

AGENDA

9:30 a.m. Wednesday

Hennessee Room, Lois K. Murphy Center
at the University of Mount Olive
Mount Olive, North Carolina

1. Call to order
Senator Brent Jackson, Presiding
2. Introductory remarks by Co-Chairs
3. Welcome
Dr. Philip Kerstetter, President
University of Mount Olive
4. Presentation on University of Mount Olive Agribusiness Center
Edward Olive, Project Development Specialist
University of Mount Olive Agribusiness Center
5. Presentation on agricultural labor standards versus industrial labor standards
Steve Woodson, Associate General Counsel
North Carolina Farm Bureau
6. Presentation on availability of emergency aid for farmers
Sharron Stewart, Director, Emergency Programs Division
North Carolina Department of Agriculture and Consumer Services
(NCDA&CS)
7. Presentation on soil and water issues facing North Carolina agriculture
Pat Harris, Director, Division of Soil and Water Conservation
NCDA&CS
8. Presentation on NC Cooperative Extension Strategic Planning process
Dr. Joe Zublena, Director, NC Cooperative Extension Service
NC State University
9. Presentation on local ordinances affecting agriculture
Keith Larick, Environmental Programs Specialist
NCDA&CS
10. Commission discussion and announcements
11. Adjourn

The second meeting of the Agriculture and Forestry Awareness Study Commission (Commission) was held on Wednesday February 19, 2014 at 9:30 a.m. in the Hennessee Room, Lois K. Murphy Center at the University of Mount Olive, Mount Olive, North Carolina. Senator Brent Jackson presided.

Dr. Philip Kerstetter, President of the University of Mount Olive, gave a brief welcome and introduction to the University of Mount Olive. Dr. Kerstetter introduced Mr. Edward Olive, Project Development Specialist, University of Mount Olive, Agribusiness Center. Mr. Olive gave a presentation on the curricula and projects conducted by the University of Mount Olive Agribusiness Center. Mr. Olive gave a background on the University of Mount Olive, the undergraduate agriculture programs the University offers, student organizations, farmland preservation plans, and workshops offered at the University.

Mr. Steve Woodson, Associate General Counsel at North Carolina Farm Bureau, gave a presentation on differences between agricultural labor standards and industrial labor standards. Mr. Woodson discussed defining "agriculture," with regard to Occupational Safety and Health Administration (OSHA) issues. There was discussion among Commission members with regard to the definition of the term "farm," as used by various laws and agencies at the state and federal levels.

Ms. Sharron Stewart, Director of the Emergency Programs Division, North Carolina Department of Agriculture and Consumer Services (DACs), gave a presentation on North Carolina's preparedness for emergencies in the agricultural sector and the availability of emergency aid for farmers. Ms. Stewart discussed the DACs' role and response to emergencies, animal health issues, hurricanes and tornadoes, and agriculture emergency response teams.

The Commission discussed why agriculture does not qualify for Federal Emergency Management Aid (FEMA), the North Carolina Emergency Response hotline, and the responsibilities of the State during an emergency.

Ms. Pat Harris, Director of the Division of Soil and Water Conservation, DACs, gave a presentation on soil and water issues facing North Carolina. Ms. Harris discussed soil and water conservation partnerships, farmer surveys, drainage flood and control, subsurface water management, wetlands jurisdiction, conservation compliance, and research and development.

There was Commission discussion on blockages and drainages, the possibility of using prisoners to clean up streams, and potential problems with agricultural land being converted into wetlands.

Dr. Joe Zublena, Director of the North Carolina Cooperative Extension Service, gave a presentation on the North Carolina Cooperative Extension Service strategic planning process and the funding model for North Carolina Cooperative Extension Service. Dr. Zublena discussed strategic educational goals, faculty capacity, and budgetary issues.

The Commission discussed the loss of federal funds for the Cooperative Extensive Service and funding issues.

Mr. Keith Larick, Environmental Programs Specialist, DACS, gave a presentation on local ordinances affecting agriculture throughout North Carolina. Mr. Larick discussed existing protections, zoning issues, forest resources, building codes, water use, nuisance ordinances, genetically modified crops, pesticides, and [House Bill 74](#) (Regulatory Reform Act of 2013).

There was Commission discussion on the impact of beavers on streams and stream restoration, potential regulations in Durham County on the use of fertilizer, and the use of genetically modified crops.

March 28, 2014

AGENDA

9:00 a.m. Wednesday

Administration Building, DuPont State Forest
Cedar Mountain, North Carolina

1. Call to order
Representative Jimmy Dixon, Presiding
2. Introductory remarks by Co-Chairs
3. Welcome
Steve Troxler, Commissioner
North Carolina Department of Agriculture & Consumer Services
(NCDA&CS)
4. Presentation on the role of the North Carolina Department of Environment and Natural Resources (DENR) in Agriculture
John Skvarla, Secretary
DENR
5. Presentation on forestry issues
Paul Sherman, Air & Energy Programs Director
North Carolina Farm Bureau
6. Presentation on the North Carolina BRIDGE Young Offenders Forest Conservation Program
Travis Ruff, BRIDGE Program Manager
NCDA&CS
7. Presentation on local tree ordinances more stringent than federal regulations
John Allen, Owner, Shiloh Nursery
Mark Gantt, Owner, Hefner's Nursery
8. Presentation on the woolly adelgid issue in hemlocks
Brian Heath, NCFS Forest Health Forester
North Carolina Forest Service
9. Presentation on privacy laws relating to farms
Paul Sherman, Air & Energy Programs Director
North Carolina Farm Bureau
10. Commission discussion and announcements

11. Adjourn

The third meeting of the Agriculture and Forestry Awareness Study Commission (Commission) was held on Friday March 28, 2014 at 9:00 a.m. in the Administration Building, DuPont State Forest, Cedar Mountain, North Carolina. Representative Jimmy Dixon Presided.

Mr. Steve Troxler, Commissioner of Agriculture, North Carolina Department of Agriculture and Consumer Services (DACS), spoke about Dupont State Forest and its importance to North Carolina. The Commissioner also discussed the Hemlock Woolly Adelgid bug and its effect on Dupont State Forest and the BRIDGE Young Offenders Forest Conservation Program.

Mr. John Skvarla, Secretary of Environment and Natural Resources, the Department of Environment and Natural Resources (DENR), gave a presentation on the role of DENR in agriculture. Secretary Skvarla described DENR's role as public servants.

Mr. Paul Sherman, Director of Air and Energy Programs, Farm Bureau, gave a presentation on forestry and transportation issues. Mr. Sherman discussed truck safety inspections, existing infrastructure and maintenance, contested cases, and Intrastate U.S. Department of Transportation (U.S. DOT) markings.

There was Commission discussion on how the U.S. DOT rates bridges for weight, weight citations and civil penalties, weight allowances, exemptions from Superior Court, emergency declarations by the Governor, and feed truck and feed companies' operations during storms.

Mr. Travis Ruff, Program Manager, North Carolina BRIDGE Young Offenders Forest Conservation Program, DACS, gave a presentation on the BRIDGE Program. Mr. Ruff discussed how the Program was established, the reasons it was established, and the Program's mission. Mr. Ruff said that the Program provides disaster relief assistance, teaches the participants important job skills, and saves the State money. The Commission discussed possible expansions of the Program and potential limiting factors to the Program.

Mr. John Allen, Owner, Shiloh Nursery, gave a presentation on local tree ordinances more stringent than federal regulations. Mr. Allen discussed restrictive local tree ordinances and their effect on local nurseries.

Mr. Mark Gannt, Owner, Hefner's Nursery, gave a presentation on local tree ordinances. Mr. Gannt explained that some municipalities like trees and shrubs planted a certain way. There have been occasions when contractors do not adhere to the municipality's preferences. Mr. Gannt said his organization works with municipalities and nurseries to come to an agreement. Mr. Gannt is against additional regulation on local tree ordinances. There was Commission discussion on what types of properties the municipalities are setting standards for (commercial or residential).

Mr. Brian Heath, Forest Health Forester, Forest Service, DACS, gave a presentation on Hemlock Woolly Adelgid bugs. Mr. Heath explained what type of treatments have worked or might work, such as chemical treatments or biological control. Mr. Heath discussed what the State should do in response to the Hemlock Woolly Adelgid bug and the future of Hemlock trees.

There was Commission discussion on the use of potentially invasive species to control the Hemlock Woolly Adelgid bugs. Mr. Heath said that the U.S. Department of Agriculture has protocols before a species can be introduced as a biological control. There is a great deal of research before a control species is released.

Mr. Paul Sherman, Air and Energy Programs Director, Farm Bureau, gave a presentation on privacy laws relating to farms. Mr. Sherman discussed employment fraud, third party environmental complaints about agricultural operations, and technology advances.

The Commission discussed the need for livestock operations to have protection from trespassing due to biosecurity and the potential use of drones.

April 30, 2014

The fourth meeting of the Agriculture and Forestry Awareness Study Commission (Commission) was held on Wednesday April 30, 2014 at 9:00 a.m. in Room 643 of the Legislative Office Building. Senator Andrew Brock Presided.

The Commission approved a motion to send a letter to North Carolina's Congressional delegation and the North Carolina Attorney General in opposition to the U.S. Environmental Protection Agency's proposed rules defining "waters of the United States."

The Commission adopted this report.

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DRAFT

PROPOSED LEGISLATION

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